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C O N F I D E N T I A L KATHMANDU 000092

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TAGS: [PGOV](#) [PREL](#) [PTER](#) [PREF](#) [MARR](#) [UN](#) [NP](#)  
SUBJECT: PM KOIRALA ASKS FOR U.S. ADVICE ON COMMUNISTS AND  
THE KING

REF: KATHMANDU 88

Classified By: Ambassador James F. Moriarty. Reasons 1.4 (b/d)

Summary

1. (C/NF) Prime Minister GP Koirala told the Ambassador January 17 that he planned to tell Maoist Supremo Prachanda later the same day in plain terms that, with the Maoists in the interim parliament, the time had come for them to end their violence and extortion and dissolve their "people's governments." The PM was not convinced, however, that their conduct would change. Koirala asked the Ambassador for advice on how to handle the leftist majority in the new parliament and what to do about the King. The Ambassador replied that the Communist Party of Nepal - United Marxist Leninist feared the Maoists too much to join forces with them. On the King, the United States had no position. The Prime Minister wondered aloud if the simultaneous resignation of King Gyanendra and Crown Prince Paras would be enough to pacify the people. The Ambassador noted that, according to our polling, the future of the monarchy was the single most polarizing issue; the country was almost evenly divided. Even most royalists, however, disliked Gyanendra. Koirala provided additional details on why he had not permitted the King to go to Hetauda. The Prime Minister reaffirmed that he would not allow the Maoists into an interim government until arms management was complete. He encouraged the Ambassador to speak to Foreign Minister Oli about the idea of the U.S. beginning planning for a resettlement program for Bhutanese refugees. Koirala promised the U.S. a reply on Excess Defense Articles within a week. In a subsequent January 17 meeting with Prabakhar Rana, a senior royal adviser, the Ambassador learned that the idea of a double abdication was very much under discussion in royal circles. Rana volunteered to discuss the issue with the Queen Mother, who had influence with the King.

PM Koirala To Speak to Prachanda About Maoist Violations

2. (C) In response to a question from the Ambassador at the outset of their January 17 meeting, the Prime Minister

responded that he was feeling "alright," that his health was not too bad, but that he had been taking lots of oxygen and that the legislative marathon on January 15 (reftel) had been tiring. The Ambassador explained that he had met with senior U.S. officials on his consultations a week earlier in Washington and that they had all displayed considerable interest in Nepal and a willingness to help. However, they were concerned that the Maoists were not meeting their peace commitments. Koirala agreed and said he would tell Maoist Supremo Prachanda in very strong terms that the time had come to stop their violence against Nepalis and the other parties.

He noted and his foreign policy advisor Dr. Suresh Chalise, who was present, also stressed that the Maoists had agreed in writing they would stop their extortion and dissolve their "people's governments" when they joined the interim parliament. That time had now come. The PM said he was meeting with Prachanda as well as Prachanda's deputy Baburam Bhattarai and Communist Party of Nepal - United Marxist Leninist (UML) General Secretary M.K. Nepal later the same day. Prime Minister Koirala expected lots of nice words, but was not convinced Maoist behavior would change.

#### Koirala Asks for Advice on Communists

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13. (C) The Prime Minister, who is also head of the center-right Nepali Congress Party (NC) and an NC MP, asked the Ambassador for advice on how to deal with "the Communists." He was worried that the leftist parties from the dissolved parliament would join forces with the Maoists to form a voting block in the interim parliament that would overwhelm the "democrats." (Note: The center-left UML, has 83 seats out of 329 in the new interim parliament, the same number as the Maoists. Three small leftist parties, which

are close to the Maoists, have a total of 16 MPs, which brings the total number of "Communist" MPs, by the NC's reckoning, to 182 seats. Meanwhile, the NC has 85 seats, its splinter Nepali Congress - Democratic has 48, the two royalist parties together have 8 seats and the Terai-based Nepal Sadbhavana Party has 6 MPs for a total of only 147 "democrats.") The Ambassador replied that Koirala should not worry about the UML linking up with the Maoists. The UML was too scared of the Maoists to do that. The Ambassador stated that the Maoists claimed to have popular support but did not. The Prime Minister's goal, the Ambassador emphasized, should be to hold a free and fair election for the Constituent Assembly. Under those circumstances, the Maoists would win a low percentage of the vote.

#### ... And the King

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14. (C/NF) PM Koirala also asked for advice on what he should do about the King. He indicated he was under pressure from within his party to adopt a republican agenda and do away with the monarchy completely. The Ambassador answered that the United States had no position on the King, that was for Nepalis to decide. Koirala wondered aloud whether the people would be "pacified" if King Gyanendra and Crown Prince Paras abdicated in favor of the King's grandson. The Ambassador pointed out that a U.S.-commissioned poll in September 2006 had shown the future of the monarchy to be the most polarizing issue in Nepal, with the country almost equally divided in favor and against its continuance. That said, only 10 to 12 percent of Nepalis supported Gyanendra personally. The Ambassador and the Prime Minister agreed that one problem was that the King's advisors kept telling him he could play a role in Nepal's politics. In reality, Gyanendra was no longer able to unify the country; he had become a divisive figure and political diversion. The departure of the King, the Ambassador remarked, would allow Nepalis to have a healthy debate about the monarchy, a position the PM shared.

#### Koirala Talked To the Army About the King

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15. (C/NF) Koirala stated that he had told Chief of Army Staff Katawal that the Nepal Army contingent at the royal palace in Kathmandu needed to be reduced. He recounted his displeasure when he learned that the King had been making plans to go to his summer palace in Hetauda without obtaining the Government of Nepal's permission. Koirala said he had been worried that there would be demonstrations for and against the King if Gyanendra had gone to Hetauda. If protests had grown violent, the police, would have fled and the Army might have had to use force to defend the King. Public opinion would have turned against the Army. In the end, the PM said he had decided that the Nepal Army would not provide any support or security for a trip by the King to Hetauda. Koirala stated that he had explained this to Katawal and to Major General Tika Dharmala, the King's senior aide-de-camp. He had also stressed that the King should not even think about staging a coup, "not even in his dreams." If he created a public disturbance, his kingship would be over, and the Prime Minister himself would support the republican side. Katawal had reassured the PM that if there were a coup attempt, no one from the Nepal Army would side with the King. Chalise noted to the PM that the Embassy had been helpful in resolving the Hetauda incident.

#### IDPs, Police, and Enforcing the Rule of Law

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16. (C) Returning to the Maoists, the Prime Minister spoke of the new generation of young Nepalis who had been directly affected by the Maoists. He said that those whom the Maoists had displaced needed to be returned to their homes. He intended to enlist new NC cadre from that group. The NC's old party workers did not have the "fighting spirit." These young people did; they would be willing to challenge the Maoists. The Ambassador responded that the United States

wanted to provide assistance to help internally displaced persons (IDPs). The return of IDPs to their villages would be a signal to other villagers to no longer fear the Maoists.

But, the Ambassador emphasized, it was important to get the police back into the countryside. The police still lacked orders to push back against the Maoists and feared they would suffer political reprisals if they did. The Ambassador recalled the PM's prior statements that there would be a crackdown once the Maoist People's Liberation Army were in cantonments. He encouraged the PM to begin planning for that law and order transition now.

#### No Maoists in Government Until Arms Management Complete

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17. (C) The Ambassador stressed the importance of a successful arms management process. The Embassy had received reports, he said, that the Maoists were buying crummy weapons in Bihar and Uttar Pradesh in India to turn in to the United Nations and were also planning to register new recruits and hold back their seasoned fighters. The Ambassador emphasized that the UN knew the details of the weapons the Maoists had seized from the Nepali security forces during the insurgency; the vast majority of these arms would have to be turned in before arms management was declared completed, the Ambassador noted, adding that he was prepared to say so publicly. The Prime Minister agreed this was crucial and reaffirmed that the Maoists would not be allowed into the interim government until arms management was complete.

#### U.S. Planning Bhutanese Refugee Resettlement Program

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18. (C) The Ambassador took the opportunity to express U.S. interest in starting to plan a program to resettle up to 60,000 Bhutanese refugees. It would take several months, he noted, to get off the ground, but we wanted permission from the Government of Nepal (GON) now to begin. The Ambassador stressed that resettlement was not in place of repatriation. The Prime Minister asked if the Ambassador had spoken about this issue with Foreign Minister Oli. The Ambassador indicated he would speak to Oli -- who has been suffering

from typhoid and missed the opening of the interim parliament on January 15 -- once the Foreign Minister recovered. The Ambassador added that a formal letter from the State Department to the GON on this issue would follow shortly.

#### Nepali Answer on EDA Within a Week

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¶9. (C) The Ambassador also raised the issue of how to handle non-lethal Excess Defense Articles and other non-lethal items, including body armor, helmets, and night vision goggles, which had been set aside in U.S. warehouses pending a decision from the Prime Minister to authorize shipment to Nepal. Chalise replied that the GON would give the Embassy an answer. At this point, the Ambassador insisted that we needed an answer immediately, we had been waiting for a clear response one way or the other for months. The Prime Minister then responded that the Ambassador would have an answer "within a week."

#### Royal Confidant Discusses the King

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¶10. (C/NF) In a subsequent meeting with the Ambassador January 17, Prabakhar Rana, a close confidant of the royal family, worried that King Gyanendra's current behavior did not bode well for the preservation of the monarchy and that public feeling had continued to shift against the monarchy. Rana openly discussed the need for King Gyanendra to abdicate the throne if the institution were to be preserved. He agreed with the Ambassador that the King had to do so within the next three months or else it would be "another missed opportunity" and meaningless. The ideal scenario, Rana believed, would be for the King and Crown Prince Paras to renounce their claims to the throne simultaneously, allowing Parliament to choose the next royal successor. The

Ambassador agreed this would be necessary for a healthy debate on the future of the monarchy that did not focus solely on Gyanendra's past transgressions. Rana said he could not raise this issue directly with the King, but might be able to do so with Queen Mother Ratna Rajya Laxmi Devi Shah, who is the King's biological aunt.

#### Comment/Way Forward

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¶11. (C/NF) Prime Minister Koirala faces daunting challenges squaring the Maoists' newfound legislative power and the Maoists' continuing ability to intimidate with the need to run a government and set the stage for free and fair elections. The time has indeed come to test the Maoists' willingness to end their violent methods once and for all. This could lead to a showdown between the Maoist militia and the police. It would not be pretty, but the task will not get easier if Koirala continues to wait. Post plans to continue maintaining a distance from maneuverings about the future of the King. However, as Chalise pointed out, the best alternative for a debate on the monarchy might be the abdication of Gyanendra and his son Paras in favor of the King's grandson with the Prime Minister as regent. Koirala did not respond to the Ambassador's request for approval to begin planning a Bhutanese refugee resettlement program, but a meeting with Oli, followed by a letter from Assistant Secretaries Sauerbrey and Boucher, which we understand is in

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the works, should move the process along. On EDA, we plan to ask the Prime Minister's Defense Advisor and the Defense Secretary to obtain the Prime Minister's approval to ship the

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EDA and then proceed.

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